

HOUSE BILL No. 1257

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-24-7.

Synopsis: Property tax distributions to charter schools. Limits the amount distributed from a property tax levy imposed for a charter school to the amount collected from the levy, offset by any amount withheld to pay refunds or other overpayments. Provides that any property tax collected for a charter school that exceeds the amount levied shall be used to temporarily reduce the levy imposed for the charter school in the immediately following year. Includes transitional provisions.

Effective: January 1, 2008.

Smith V, Porter

January 11, 2007, read first time and referred to Committee on Education.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

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HOUSE BILL No. 1257

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-24-7-12, AS ADDED BY P.L.2-2006,
2 SECTION 110, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) Not later than the date
4 on which the department of local government finance certifies a final
5 action under IC 6-1.1-17-16, the department of local government
6 finance shall provide to each county auditor the **maximum levy**
7 amount ~~determined under described in~~ section 2(c)(6) of this chapter
8 for each charter school attended by a student who has legal settlement
9 in both the county and a school corporation located in the county.
10 (b) At the same time a county auditor distributes property taxes to
11 a school corporation, the county auditor shall distribute to a charter
12 school the amount ~~described in subsection (a)~~ **collected from the**
13 **levies imposed in the county** for the charter school **under**
14 **IC 20-45-3-11(4), including any amounts received to replace**
15 **revenue lost from the application of a property tax replacement**
16 **credit or homestead credit. The amount of a distribution shall be**
17 **reduced by any amount withheld to:**

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IN 1257—LS 6095/DI 116+



(1) make a refund under IC 6-1.1-26 from an overpayment of;
or

(2) settle an overpayment of an amount received by the charter school to replace property tax revenue lost as the result of the granting of property tax replacement credits or homestead credits against;

a levy imposed under IC 20-45-3-11(4) for the charter school for an assessment date after February 28, 2007.

(c) A distribution of property taxes to a school corporation does not include an amount distributed under subsection (b).

SECTION 2. IC 20-24-7-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) As used in this section, "levy excess" means that part of the property tax levy actually collected for a charter school:

(1) from taxes first due and payable during a particular calendar year after 2007 from the taxing district containing the school corporation; and

(2) that exceeds a school corporation's levy for the charter school, as approved by the department of local government finance under IC 6-1.1-17, for those property taxes.

The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.

(b) For purposes of the property tax levy limits fixed by law, a levy excess distributed under section 12 of this chapter to a charter school in a particular calendar year shall be treated as part of the property tax levy imposed for the charter school for the immediately following calendar year. The part of the property tax levy that would otherwise be imposed under IC 20-45-3-11(4) for the charter school in the immediately following year shall be temporarily reduced to reflect the amount of the levy excess distributed to the charter school. If the charter school is not entitled to receive an amount from a levy in the immediately following year, the charter school shall pay the levy excess amount to the school corporation in the taxing district in which the levy excess was collected. The school corporation shall deposit the levy excess amount in the school corporation's levy excess fund for purposes of the fund.

SECTION 3. [EFFECTIVE JANUARY 1, 2008] (a) IC 20-24-7-12, as amended by this act, and IC 20-24-7-13, as added by this act,

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1 apply only to property taxes first due and payable after December
2 31, 2007.

3 (b) IC 6-1.1-19-12 (repealed) and IC 20-24-7-12, as effective
4 December 31, 2007, apply to distributions to a charter school from
5 property taxes imposed for the charter school for assessment dates
6 before March 1, 2007. An amount may not be withheld from
7 distributions made after December 31, 2007, to a charter school for
8 refunds paid to a taxpayer to reimburse the taxpayer for the
9 overpayment of property taxes imposed for an assessment date
10 before March 1, 2007. A charter school is not entitled to a
11 distribution that exceeds the amount permitted under
12 IC 6-1.1-19-12 (repealed) and IC 20-24-7-12, as effective December
13 31, 2007, for property taxes:

- 14 (1) imposed for an assessment date before March 1, 2007; and
15 (2) paid after December 31, 2007.

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